

Merck Dinner
Talking Points

Dec 5, 1988

Health Care Issues in the 101st Congress

I. Affecting the Drug Industry - relatively few

1. Implementation of Medicare Catastrophic Prescription Drug Benefit

- * Program is properly constructed and adequately financed
- * Additional data in Spring of 1989 will be clarifying
- * Strong support for benefit to go into effect - no changes until it is implemented (unless new data shows there is a problem)

2. Prices, especially AIDS drugs

- * No end in sight to increases for marketed products and high initial prices for new products.
- * In long term (5-10 years), industry will suffer as health care payors take protective steps
- * As cost of AIDS epidemic increases, greater attention to the cost of AIDS drugs

3. Orphan Drug Legislation is Possible

- * Issue is orphan drug designation and seven-year market exclusivity for drugs with huge sales (i.e., Human Growth Hormone and EPO)
- * Senate concerned, will be another effort to revise law to prevent use of Orphan Drug Act for such drugs

4. Implementation of Animal Drug bill

- * Animal drug counterpart to 1984 human drug law
- * Will follow implementation to assure it is done expeditiously and correctly

II. Other Health Care Issues - Many of Difficult Proportions

1. AIDS testing, confidentiality and non-discrimination issues

- * 100th Congress grappled with the issue but did not resolve it

2. Coverage and financing of long term care

- * Will be expensive, but is the greatest health care need of the elderly

3. Minimum health benefits for 37 million without health insurance

4. Safety of food-use pesticides

- * EPA has insufficient information to know whether 90% of food use pesticides now in use are safe.

5. Food Labeling

- * Current information is inadequate and out-dated. Will start with fundamental question-what should be on food labels?

6. Medical Devices Regulation

- * Legislation is needed to revise the law

7. Physician Reimbursement Reform

- * Congress has squeezed hospitals and now is turning to doctors

8. Budget

- * Early signs of desire to save enormous amounts through cuts in health care programs